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Abstract

I was working in a fairly insignificant accounting department of a (then) small university when I was charged with the responsibility of accompanying Ray Chambers and his wife Margaret to dinner. He had accepted an invitation to the University from its Accounting Student Society and for us it was an important occasion to have such a distinguished visitor. During our conversation that evening Ray suggested I come to Sydney University as he thought I would find it (intellectually) stimulating. I took up his suggestion and did not live to regret it. Working with Chambers was indeed an intellectually stimulating experience and I learned a lot from him most especially the need to aspire to intellectual rigour in my work. In this, Chambers certainly led by example and while many people did not accept the conclusions in the theory he developed, I believe it is generally agreed by all that he demonstrated the highest standards of scholarship in developing and promoting his ideas. Yet, to me, this was only one aspect - albeit a very important one - of the leadership skills he possessed and practised.

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The Multifaceted Leadership of R J Chambers - a Personal Reflection

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I was working in a fairly insignificant accounting department of a (then) small university when I was charged with the responsibility of accompanying Ray Chambers and his wife Margaret to dinner. He had accepted an invitation to the University from its Accounting Student Society and for us it was an important occasion to have such a distinguished visitor. During our conversation that evening Ray suggested I come to Sydney University as he thought I would find it (intellectually) stimulating. I took up his suggestion and did not live to regret it. Working with Chambers was indeed an intellectually stimulating experience and I learned a lot from him most especially the need to aspire to intellectual rigour in my work. In this, Chambers certainly led by example and while many people did not accept the conclusions in the theory he developed, I believe it is generally agreed by all that he demonstrated the highest standards of scholarship in developing and promoting his ideas. Yet, to me, this was only one aspect - albeit a very important one - of the leadership skills he possessed and practised.

As such an eminent scholar there has much been written about Chambers and he himself has given several accounts of what he was trying to achieve in his work. A festschrift issue of *Abacus* published in 2000 (v 36, no 3) a year after his death is a good example - it contains papers by those who had been associated with him and covered different aspects of his achievements as well as previously unpublished papers by Chambers which appear to be drafts of what he might have intended to have been part of an autobiography. In addition, very recently, as part of the celebration of the 50th anniversary of what was originally the Department of Accounting at the University of Sydney a monograph prepared by some of his disciples (Clarke, Dean & Wells, 2010) provides an account of his achievements. These authors have had access to Chambers's private and professional papers most of which survived destruction after his death due to the efforts and foresight of his one-time research assistant Graeme Dean. The bulk of these are now housed and accessible at the University of Sydney in an archive called The R J Chambers Collection (see Clarke, Dean and Wolnizer, 2006).

This paper then, as its title suggests, is a personal reflection through the eyes of someone who worked closely with him over a period of ten years during a latter part of his career and completed a doctoral thesis with Chambers as its subject.

Brief Background Sketch

Raymond Chambers was born in Newcastle, Australia where he undertook his early education under what we would now consider "difficult circumstances" (see Chambers, 2000a). To his educators he showed promise and enthusiasm and was encouraged to further his studies. He earned a university place that enabled him to undertake a university education at the University of Sydney where he studied for an economics degree. A small businessman, his father's business, like so many others during the Depression of the 1930s, had suffered badly (Chambers, 2000b, p 321). Thus, for economic reasons Chambers was unable to attend university full-time and had to study part-time (economics and accounting rather than his possibly preferred engineering, architecture or medicine) - evening classes with the day time being spent first employed in the accounting office of the Department of the Attorney-General and of Justice, part of the NSW Public Service. He then moved to employment in the petroleum industry where he worked as an inventory control officer and then to a similar position in the Electricity Meter and Allied Industries. From 1943 to 1945 he was engaged as an investigation officer with the Australian Prices Commission. In this last position he felt he became more actively engaged with accounting and he was amazed at the diverse manner in which organisations determined prices and calculated profits. Without subscribing to simple cause and effect claims it seems that the observations he made with the Prices Commission together with his experiences with his father's business "accounting" greatly influenced his later work. He felt that through these he was made aware of the ad hoc and confusing way in which accounting rules and practices were developed - dogma rather than rigorous analysis and thought (cf Chambers, 2000a).

In 1945 he was appointed to his first academic position - lecturer in the Department of Industrial Management in the Sydney Technical College. His responsibilities were not in accounting as we now know it but for "costing and cost control" which were part of the requirements for a more general management "education". However, Chambers felt there was an urgent need for education in the financial dimensions of management. Consequently, he developed subject(s) in what he termed financial management and that was the title of his first book produced in 1947 and which went through several re-writings (rather than mere revisions) and was hailed as a seminal work and which placed accounting within the framework of financial management. On first seeing this book I was intrigued by a quotation in the frontispiece (of the second edition), viz

"Bad production management and bad sales management have slain their thousands, but
bad faulty finance has slain its tens of thousands" (Colin Brooks)

During this period he also published research papers and presented research lectures.

In 1953 Chambers was appointed to the first full time academic position - senior lecturer - in accounting at the University of Sydney. Two years later he was promoted to Associate Professor and after five years to the Foundation Chair in Accounting at that university, a position he held until his retirement in 1982 at

which time he was made an Emeritus Professor. With his appointment in 1953 Sydney University introduced an accounting major in its Bachelor of Economic program and on his appointment to Professor in 1960 the University established the Department of Accounting. The University had taught individual accounting subjects since 1907.

During his life Chambers received very many awards and honours conferred upon him. For example, in 1976 he was elected by the American Accounting Association as its inaugural Distinguished International Lecturer and later, in 1991 was awarded its Outstanding Accounting Educator Award. In the same year he was elected to the Accounting Hall of Fame in the Ohio State University and this year, 2010, he was elected to the newly created Australian Accounting Hall of Fame at the University of Melbourne. Earlier, he had received the gold medal of the AICPA for his book *Accounting, Evaluation, and Economic Behavior* published in 1966. These are but a few instances of his recognition as a truly distinguished and highly respected international accounting scholar.

A Leader in Ideas

On entering an academic career Chambers said (2000b, p 321) on the basis of his experiences he had learned two things

- Accounting universally claimed to be related to the growth of business and finance .
- Its rules and products were not the outcome of disciplined reasoning-as in maths and physical and biological sciences-but of traditional rules of thumb and the dogma of its elders - initial cost.

As stated above, without subscribing to simplistic cause and effect explanations, it seems that Chambers's ideas were greatly influenced by his experiences (and observations). His time at the Prices Commission had led him to the second of the conclusions above - the haphazard way in which accounting proceeded. He held that

Accounting is about financial affairs, about the financial consequences of engagements and transactions of one person, business firm or other organization, with all other such parties (in a nutshell, with the rest of the world). (2000a, p 314)

Financial affairs refers to the everyday activities in which we all engage that have to do with money, money's worth and claims to money. Accounting then is "in principle, a systematic process of recording successively, and summarizing occasionally, the effects of events and exchanges on the property holdings and wealth of an identified party" (p 314). The summarised record becomes the basis on which decisions could be made. This forms the "core" idea of the theory he developed for resolving the problems with

which accounting was so spectacularly grappling - the failure of extant accounting to provide "useful" (in his terms "truthful") information to users of financial statements in times of variable price levels.

To Chambers there were universal accounting truths that should be established. That is, he believed accounting should have principles that existed at all levels, from households to large corporations. The difference lay in the increased complexity of corporate financial affairs but, like individuals, managers needed to know what resources were at their command to make effective decisions about future courses of action.

The conduct of household and business affairs alike proceeds by the recurrent inflow and outflow of identified quantities of goods and services and money, and the holding, between times, of identifiable stocks of goods and money. (2000a, p 313)

The capacity to engage in actions would depend on the stock (quantity) of goods and money at a particular point in time. The difference between the record of this stock from one time to another would represent income (or profit).

The summarised record up to a given date would "provide reliable grounds" for decision making. However, discrepancies between the record and the observed quantity of goods and money would be the result of deliberate deceit, inadvertent gains or losses or errors in recording. In the recording of the stocks of goods and resources the common denominator is money. That is, underlying this information were the measures of money (or money equivalents). This in turn led to an emphasis on the principles and theories of measurement.

In developing his ideas Chambers clearly thought "outside the box". He looked beyond the conventional technical conventions. In developing his courses in financial management at the Technical College he had concluded that accounting was inextricably bound up with financial management (hence the first of his conclusions alluded to above). Thus, unlike the conventional approaches, to him accounting was not a technical exercise in its own right but was to serve the needs of those managing their financial affairs - for individuals or large organisations. In all cases money was a sensible common and widely understood (and necessary) element. Hence, his theory of continuously contemporary accounting (CoCoA) was based on current cash equivalents - up to date (current and not past) measures of money.

A Leader in Education

Chambers's first task at the Technical College was to develop courses in costing and cost controls. He found most textbooks treated these subjects as stand alone specialisms with its "own more or less isolated, rationale", and at first he followed this approach. However, he soon concluded how wrong this was.

Very early in his academic career Chambers distinguished accounting training from accounting education. In an early article on the subject, he stated that

Education may be considered as a process by which the innate qualities of the student are drawn out and developed, and by which the student's mind is enriched both because of the experience suffered and because of the knowledge gained. Teaching to be really educational should, therefore, aim to provide such stimuli for the student that he (sic) goes forward seeking an understanding of the principles of his subject rather than sitting back smug in the knowledge that he 'swatted' the correct material for his examination. ("The Training of Accountants", 1948, p. 322, quoted in Wolnizer & Dean, 2000, p 248)

These notions continued to guide his actions throughout his academic career. At the University of Sydney accounting education "was to have firmer, more rigorous intellectual underpinnings than the conventional kind" Wolnizer & Dean, 2000, p 250). And, as Chambers himself was to say

We developed the teaching program from being a hand-me-down bunch of rote recipes to a course of study worthy to be included with other courses leading to masters and PhD degrees. (2000b p 322)

There is little doubt that the educational programmes Chambers developed at Sydney were unique and revolutionary in their approach (cf Chambers, 1991). Maintaining the intellectual rigour he insisted on was difficult for his colleagues but it is interesting to note that almost all rose to and willingly accepted the challenge. As one of these colleagues I concurred with his demands for developing courses that were directed to education and not training; to encourage students to think for themselves and not simply regurgitate past practices. It was certainly a far cry from many programmes today where lecturers adopt a textbook so long as the publishers include all the "extras" that help them avoid having to think. For example, we could never simply take exam questions from some past (or even current) text but had to tailor questions that attempted to really determine how much the students had learned. Teaching large numbers of first year students without a regular textbook placed demands on our resourcefulness. However, as stated at the start of this paper, complying with such rigour had its long term rewards.

An Academic Leader

From his date of appointment as an academic Chambers led by example - he demonstrated the skills of an academic exemplar. When he arrived he found a discipline with little respect for cerebral endeavour, content to continue to be at the beck and call of strong business interests rather than develop a "real" academic discipline worthy of a place in a university. He found the challenge "exhilarating" and has referred to it as "living on the fringe". Such "Living on the fringe is always demanding, sometimes exhilarating, always adventurous. . . . Some get their kicks out of doing what's not been done before, some from

outdoing rivals, some from public applause - some from simply pursuing goals of their choice which others have held to be unattainable" (2000b, p 322).

He suffered the fate that many older accounting academics suffered on disclosing their discipline - the constant challenge of what's bookkeeping doing in a university? With the record at that time of the so-called profession it was a charge that often lent one to cringe - corporate collapses, financial scandals, economic disasters. So what's new? These days I guess, others have got used to having us around and besides we bring in a lot of funds to our institutions. However, to Chambers it was a challenge to make accounting worthy of its university place. On arriving at Sydney I was pleasantly surprised to find acceptance of my being an academic accounting and I soon realised that this was largely due to the respect Chambers had earned through his intellectual approach to the subject.

The respect had been earned from the nature of his publications and the rigour of the academic programmes. However, Chambers also sought to establish an academic accounting research journal. For him this was a journey fraught by constant frustration, disappointment and sometimes betrayal. Yet he doggedly persisted and *Abacus* was successfully launched (see Wells, 2000)

Chambers was universally recognised as an academic leader and was constantly invited to present lectures at universities around the world. For example, ten of the most prestigious universities in the US in 1966; fifteen universities in North America (Mexico to Canada) in 1970; the four most important universities in Japan in 1971; eleven universities in the USA and four in the UK in 1976 (and of course New Zealand).

In Australia he had been one of the instigators of the Association of University Teachers of Accounting in Australia and served as its chairman. This body was then to become AAANZ and later AAFAANZ.

An Unacknowledged Leader of Professional Practice

Early in his career Chambers had published learned papers in the professional body journals - when they published such things as there were no academic research journals. He was invited to present research lectures many times at such occasions as their annual congresses. He served as examiner for many subjects for both professional bodies. And, despite his having a "no mean research record" he was never asked to serve on the Australian Research Foundation (ARF) on its establishment in 1965. He was urged to seek nomination to Council of the (then) Australian Society of Accountants but failed to win election each time. However, he was later asked to fill a casual vacancy and later ended up being the National President of the Society.

He worked extremely hard for the Society as a Councillor then its President yet his ideas were continually ignored or summarily dismissed (see Chambers, 2000b). He made countless submissions to the ARF and other regulatory bodies in Australia as well as the US, the UK and Canada yet they too were ignored. Some of the political machinations (by practitioner and academics!) that were engaged in to prevent Chambers having input into any accounting regulations have to be read to be believed.

He notes that

An international professional conference in Sydney in 1972 saw speaker after speaker denounce conventional accounting- the dogs were barking it: the days of cost-based valuations in balance sheets were over! But no sooner had they all gone home than the standards committees brought forth standards for the valuation of commodities, inventories especially, on the basis of historical costs! (2000b, p 324)

Surprisingly, Chambers did not resort to cynicism and despair. He retained a belief that one test would see the survival of his ideas and work - history.

An Intellectual Legacy

Chambers's intellectual contribution to accounting was tremendous. Unfortunately, given the way accounting (and probably many disciplines) operates this contribution has all too often been overlooked. In 1955 he challenged the complacency of the established thinking in accounting with a call for increased rigour and the use of a scientific approach to developing an accounting theory. The ideas in this paper also laid down the foundations of his own approach to developing accounting theory; many other papers followed each building on those that had preceded them. He remained consistent with the understanding of theory construction which he had developed from his wide reading and the experiences and observations described above. He was always loathe to point to any direct individual sources for his ideas as his reading had been the works in many disciplines - philosophy of science, economics, science, psychology, history, engineering, law and others. Nevertheless, his method of approach was modernist but, at the time, it was a very radical development in accounting. His early papers ushered in a period of extensive methodological debate in accounting (see Gaffikin, 2008, chapter 3). However, it should be pointed out that despite his considerable theoretical prowess and interest Chambers was vitally concerned with the advancement of the practical everyday affairs of accounting. To him, it is imperative that any theory have the potential for advancing practice.

My major interest has been intellectual history - the development of ideas. Chambers recognised this and this formed the basis of the many long, stimulating and enjoyable discussions he and I had and for which I was, am and will be ever grateful: I consider him my mentor. Thus, a question that has remained in my

mind is how someone obviously capable of making a tremendous intellectual contribution to the development of accounting knowledge could be so dismissed in the everyday world of practical accounting and overlooked by so many academic accountants. However, there are some disciples who prostrate themselves before his image and continually mumble the mantra. "Chambers is great" presuming that some of the prophet's greatness rubs off on them by mere association. I consider it more appropriate to salute his greatness and practice what he taught me. As indicated above, the essential tenet of his ideas of education was to inculcate the ability to think critically and independently rather than learn (and regurgitate) "rote recipes". I interpret this as taking on board what he taught and extending it through rigorous thought and research - situations and circumstances change over time. I enjoy the music of Schubert but that does not mean I should not listen and enjoy the music of Bartok, Stravinsky, Steve Reich or John Cage. Not only do his disciples repeat his conclusions they repeat his outmoded modernist methodological approach.

It has been claimed by those in the self-promoting so called Sydney school of accounting that Chambers is the "father of fair value accounting" (eg Clarke, Dean & Wells, 2010, p 11). While there is little doubt that exit prices formed a key to his theory of accounting I believe recourse to history would make this a contestable claim. While, I believe he produced a convincing argument for the use of exit prices as the basis of accounting measures I think his contributions goes well beyond that. For example, consider his massive *Accounting Thesaurus* (1995).

There have been several people at the frontiers of accounting of accounting knowledge. To me Chambers is a shining beacon in these several and deserves full acknowledgment of this as this very brief contribution clearly indicates.

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